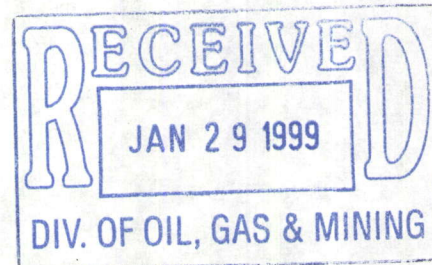


STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple - Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940



ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I. General Information

1. Report Time Period: From (mo./yr.) 1/98 To (mo./yr.) 1/99
2. DOGM File Number (Mine No): M /035 /009
3. Mine Name: Barneys Canyon Mining Company
4. Mineral(s) Mined (or permitted to mine): Gold
5. Type of mine ☒ Surface Mine or ☐ Underground Mine
6. Legal Description (Location of Lands Affected):
SW 1/4, 1/4, 1/4, Section 36, Township 25, Range 3W
SW 1/4, 1/4, 1/4, Section 2, Township 35, Range 3W
SE 1/4, 1/4, 1/4, Section 3, Township 35, Range 3W
7. Name of Operator or Company: Kennecott Barneys Canyon Mining Co.
8. Permanent Street Address: 8200 So. 9600 West
City, State, Zip: Bingham Canyon, Utah 84006-0311
Phone: (801) 569-7200
9. Company Representative (or designated operator):
Name: Dennis M. Kerstiens
Title: General Manager
Business Address: P. O. Box 311
City, State, Zip: Bingham Canyon, Utah 84006-0311
Phone: (801) 569-7200
☐ Please check if any of the above information has changed since previous year.

II. Mining and Reclamation

1. Was there any mine related activity during the past year? Yes ☒ No ☐
2. If no - what was the last year of activity? _____
3. If yes - how much ore or mineral was mined? 2.3 m Tons

4. Briefly describe the type of work performed, volume of material moved, and any new or additional surface disturbances that occurred during the past year.
A total of 22 m tons moved from the Melco and East Barneys Pits.
About 60% of the waste was dumped into the Barneys Canyon drainage.
The remainder was near the East Barneys pit and into the Dry Fork drainage.
5. How much **additional acreage** was disturbed during the past year? 74.8 ac
6. How much acreage was **reclaimed** during the past year? 21.8 ac
7. Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results.
East Barneys area includes 16.4 ac around the pit area and adjacent roads. 5.4 ac in and around the Barneys pit area. Reclamation included dozing to a nominal 2.5: 1 slope, topsoiling and seeding.
8. What is the **total** disturbed acreage of entire project at years end? 1061 ac
9. Briefly summarize any mining and/or reclamation plans for the upcoming year.
Mining activity is budgeted at 19.7 m tons for 1999.
Total reclamation budgeted at 44 ac.

NOTE: Section III., "Additional Information" applies only to large mining operations.

III. Additional Information

1. An updated surface facilities map should be attached if there have been significant changes since the previous map was submitted.
2. Any monitoring results or other reports that are required under the terms of the approved notice of intention should also be attached.

IV. Signature Requirement

I hereby certify that the foregoing is true and correct.

Name (Typed or Print):

Dennis M. Kerstiens

Title of Operator:

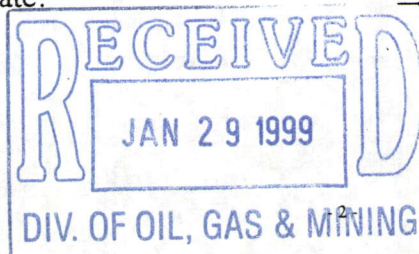
General Manager

Signature of Operator:

D.M. Kerstiens

Date:

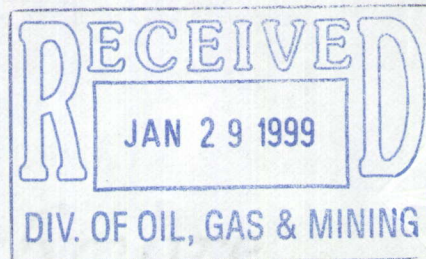
January 13, 1999



Kennecott Barneys Canyon Mining Company

8200 South 9600 West
P. O. Box 311
Bingham Canyon, UT 84006-0311
(801) 569-7200
FAX (801) 569-7190

Dennis M. Kerstiens
General Manager



Kennecott
Minerals

January 11, 1999

D. Wayne Hedberg
Permit Supervisor
Department of Natural Resources
Division of Oil, Gas and Mining
335 West North Temple
Salt Lake City, UT 84180-1203

Dear Mr. Hedberg:

Attached please find the annual report of mining operations as requested in your letter of December 22, 1998.

It includes Mining operations for the Barneys Canyon Mine for 1998.

If you require further information, please call.

Dennis M. Kerstiens
General Manager
Barneys Canyon Mine
8200 South 9600 West
P.O. Box 311
Bingham Canyon, Utah 84006-0311